

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

DAVID’S BRIDAL, INC.,

Plaintiff,

v.

CELS ENTERPRISES, INC.,

Defendant.

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No. 13-cv-2870-MMB

AMENDED COMPLAINT

1. David’s Bridal, Inc. (“David’s Bridal”) brings this action for breach of contract, breach of implied and express warranties, and breach of the implied covenant of good faith and fair dealing arising out of Cels Enterprises, Inc.’s d/b/a Chinese Laundry (“Chinese Laundry”) delivery of thousands of pairs of defective WHITE by Vera Wang® shoes (“VW shoes”).

2. As detailed below, Chinese Laundry delivered VW shoes to David’s Bridal that Chinese Laundry knew were defective before they left the factory, and David’s Bridal properly revoked its acceptance of the VW shoes under the contract and the Pennsylvania Commercial Code. Chinese Laundry however has failed and refused to accept return of the VW shoes and to compensate David’s Bridal for its damages in connection with Chinese Laundry’s breach.

PARTIES

3. David's Bridal, Inc. is a Florida corporation with its principal place of business at 1001 Washington Street, Conshohocken, Pennsylvania 19428. David's Bridal is a retail chain that specializes in bridal gowns, dresses, and other women's formal apparel, shoes and accessories, operating 328 stores in 49 states and Canada.

4. Cels Enterprises, Inc. d/b/a Chinese Laundry is a New York corporation with its principal place of business at 3485 S. La Cienega Boulevard, Los Angeles, California 90016. Cels Enterprises manufactures and sells women's footwear to volume retailers under the trade name Chinese Laundry.

JURISDICTION AND VENUE

5. Pursuant to 28 U.S.C. § 1332(a), this Court has original jurisdiction over this action as there is complete diversity between plaintiff and defendant and the amount in controversy exceeds \$75,000.

6. Pursuant to 42 PA. C.S. §§ 5322(a)(1) and (a)(2), Chinese Laundry is subject to personal jurisdiction in the Commonwealth of Pennsylvania because it transacts business in the Commonwealth and has contracted to supply goods in the Commonwealth.

7. Pursuant to 28 U.S.C. § 1391(b)(2), venue is proper in this District because a substantial part of the events or omissions giving rise to the claim occurred in this District.

FACTUAL BACKGROUND

THE CONTRACT BETWEEN DAVID'S BRIDAL AND CHINESE LAUNDRY

8. The relationship between David's Bridal and Chinese Laundry is governed by the David's Bridal Vendor Compliance Manual ("Vendor Compliance Manual"), a copy of which is attached as Exhibit A.

9. Appendix A-1 to the Vendor Compliance Manual is the Vendor's Acknowledgement ("Vendor's Acknowledgement"). Robert L. Goldman, President and CEO of Chinese Laundry, signed the Vendor's Acknowledgement on July 19, 2011. A copy of the Vendor's Acknowledgement is attached as Exhibit B.

10. By signing the Vendor's Acknowledgement, Chinese Laundry acknowledged "receipt and approval of David's Vendor Compliance Manual . . . , including all appendices, and certif[ied] that [Chinese Laundry] is and will remain in compliance with the requirements, terms, and conditions outlined therein."

11. Chinese Laundry further acknowledged that "this Manual and its appendices contain important agreements regarding numerous aspects of Vendor's business relationship with David's, including (without limitation) vendor compliance requirements, shipping instructions, accounts payable, product testing and safety, and charge back policies. Vendor's signature below shall constitute Vendor's agreement to comply with and be bound by all of the requirements, terms, and conditions set forth herein. Vendor agrees that failure to comply with any provision contained in the Manual and its appendices may result in, without limitation, . . . refusal and return of any shipment of goods from Vendor. . . ."

12. Chinese Laundry also acknowledged that “David’s may amend, modify, or otherwise revise the Manual and its appendices from time to time, and any amendments, modifications, and revisions to the Manual as set forth shall be incorporated into and become a part of the Manual.”

13. Appendix A-3 of the Vendor Compliance Manual is denominated “Terms and Conditions of Purchase Orders” (“Terms and Conditions”). A copy is attached as Exhibit C.

14. “Purchase order” is defined as “goods purchased by a David’s Bridal Buyer from domestic US Vendors.” “Buyer” is defined as “an employee of David’s Bridal authorized to issue Purchase Orders to Vendors.”

15. The purchase orders placed with Chinese Laundry by David’s Bridal were “bulk/pre-pack purchase orders,” meaning that they were shipped to a David’s Bridal distribution center, rather than to individual stores.

16. Paragraph 7 of the Terms and Conditions is titled “Place of Contract” and provides that “Purchase Order and any acceptance thereof by shipment shall constitute a contract governed by the laws of the Commonwealth of Pennsylvania.” Terms & Conditions ¶ 7.

17. In paragraph 12 of the Terms and Conditions, Chinese Laundry, among other things, “warrants that all of the goods furnished shall be of merchandise quality and fit for David’s Bridal purposes and that they shall conform to David’s Bridal specifications and [Chinese Laundry’s] representation, affirmation, promises, description, samples, or modes forming the inducement to enter this contract.” Terms & Conditions ¶ 12.

18. All merchandise that differs from production samples, or is not as represented may, in addition to other remedies, be returned at the vendor's expense. Terms & Conditions ¶ 8.

DEFECTIVE SHOES MANUFACTURED AND SOLD BY CHINESE LAUNDRY

19. Chinese Laundry manufactured and shipped shoes to David's Bridal beginning in 2011. The shoes were shipped to the David's Bridal Distribution Center in Bristol, Pennsylvania.

20. From 2011 through 2012, Chinese Laundry manufactured and shipped approximately 56,500 pairs of shoes under 57 purchase orders.

21. Each purchase order was governed by the terms of the Vendor Compliance Manual, and any appendices attached thereto, including the Terms and Conditions of Purchase Orders.

22. David's Bridal subjected the shoes to a generally accepted industry quality control sampling process at the Distribution Center.

23. In early 2012, Chinese Laundry began to ship VW shoes to David's Bridal from the Mei Yan Factory in China.

24. Chinese Laundry's agent in China, Brown Pacific Trading Company, conducted quality inspections on the shoes prior to shipment. Those inspections revealed serious defects.

25. Despite Chinese Laundry's awareness of these inspection results, it did not inform David's Bridal that the shoes were defective.

26. Beginning in the fall of 2012, David's Bridal received customer complaints about a style and color of VW shoe (VW370097 Ivory) manufactured by Chinese Laundry.

27. David's Bridal conducted a small sample inspection of that style and color and discovered glue spots and soiled areas on each pair of shoes inspected. Many of the shoes displayed additional defects, including satin damage, lifting insoles, dirty tissue paper, and stains on the boxes.

28. Each unit inspected failed to conform to David's Bridal quality control standards. *See* Compliance Manual § 2.6.

29. Based on this inspection, David's Bridal removed all of the style and color from the David's Bridal website and made that style and color unavailable as a "special order" item.

30. David's Bridal communicated and documented the results of the inspection to Chinese Laundry on or about November 14, 2012, and informed Chinese Laundry that it would perform more comprehensive inspections.

31. Shortly thereafter, David's Bridal inspected all colors of the style it had found defective and found failures on all inspected units, including the same types of defects found in the inspection conducted earlier in November.

32. David's Bridal communicated the results of this inspection to Chinese Laundry on November 19, 2012.

33. On or about November 21, 2012, David's Bridal conducted a quality control inspection on another style (VW370007 Ivory), and discovered that those shoes had specks of dirt and glue marks and many shoes displayed a lumpy or rippled appearance and had soiled areas. There were also oil-like stains on the lids of all of the shoeboxes.

34. On or about November 29, 2012, David's Bridal inspected additional units of the previously inspected styles, as well as units of another style (VW370002 Ivory). These inspections revealed further defects.

35. On or about November 30, 2012, the David's Bridal Merchant Team met with Chinese Laundry's representative, Alan Rapoport, at David's Bridal headquarters in Pennsylvania. The parties conducted a further inspection of the various styles and colors of VW shoes.

36. Following the inspection, Chinese Laundry admitted that the quality of the inspected shoes was unacceptable, and pledged to investigate the source of the quality issues.

37. Thereafter, David's Bridal demanded the return to Chinese Laundry of the defective shoes at Chinese Laundry's expense with a full credit for replacement merchandise, or destruction of the defective merchandise also at Chinese Laundry's expense and also with a full credit for replacement merchandise.

38. Despite its admission that the quality of the shoes was unacceptable, in January 2013, Chinese Laundry maintained that only one style of shoe was subject to return, and

in any event that Chinese Laundry's facility could not handle a large-scale shipment from David's Bridal's stores.

39. On or about March 25, 2013, David's Bridal began a recall from its stores of all units of the following styles and colors of VW shoes: VW370002 Ivory, VW370007 Ivory, and VW370097 Ivory, VW370097 Blush, and VW370097 Ebony.

40. In a letter dated April 4, 2013, David's Bridal informed Chinese Laundry of the recall, and notified Chinese Laundry that it was exercising its right under the Vendor Compliance Manual, the Terms and Conditions of Purchase Orders, and applicable law to revoke its acceptance of certain purchase orders. A copy of the letter is attached as Exhibit D. David's Bridal has since informed Chinese Laundry that the list of purchase orders in David's Bridal's April 4 letter was incorrect and incomplete.

41. David's Bridal revoked its acceptance of all shoes in the following styles: VW370002 Ivory, VW370007 Ivory, and VW370097 Ivory, VW370097 Blush, and VW370097 Ebony.

42. In its April 4 letter, David's Bridal further informed Chinese Laundry that it was rejecting purchase order 661595 (VW370097), which arrived at the David's Bridal Distribution Center on or about November 28, 2012.

43. The total number of shoes recalled is 19,137 and the total value of the recalled product is \$512,933.29.

44. Chinese Laundry has refused to accept return of the recalled units.

45. Chinese Laundry has likewise failed to provide a refund for the recalled units, or to pay the costs incurred by David's Bridal in processing the recall.

COUNT I
BREACH OF CONTRACT

46. David's Bridal incorporates all of the allegations set forth in the preceding paragraphs as if fully set forth and restated herein.

47. Both David's Bridal and Chinese Laundry are merchants within the meaning of the Pennsylvania Commercial Code.

48. A contract existed between David's Bridal and Chinese Laundry.

49. Each purchase order placed by David's Bridal incorporated the terms of the Vendor Compliance Manual and any appendices attached thereto, including the Terms and Conditions of Purchase Orders.

50. David's Bridal paid for the VW shoes in accordance with the terms set forth in the purchase orders.

51. Chinese Laundry breached the express terms of the Vendor Compliance Manual and the Terms and Conditions of Purchase Orders by delivering to David's Bridal VW shoes that displayed a pattern of defects.

52. Requirement 2.6 of the Vendor Compliance Manual requires that to pass a quality control inspection, merchandise must be free of the following defects: holes, tears, runs, or other flaws in the fabric or materials; dirt, stains, mold, or any other type of soiling; open or loosely stitched seams; color transfer to other material; missing or poorly sewn buttons, trims,

beads, jewels, or other embellishments; broken, torn, or soiled packaging; glue spots or other excessive adhesive; any inconsistency with manufacturing specifications, size grading, or the production sample; and any other defect that would make the item un-wearable at a special event or unusable for its designated purposes. Compliance Manual § 2.6.

53. Requirement 2.6 further provides that “[e]ven if a shipment passes the QC process, customers may later detect quality issues when they purchase units. When customers alert us to valid issues, David’s Bridal will inspect the balance of stock in the distribution centers to determine if it is of acceptable quality. If a pattern of defects is discovered, the original shipment may be retroactively determined to have failed the QC process, and appropriate chargeback penalties will be assessed.” Compliance Manual § 2.6.

54. Shoe styles VW370002 Ivory, VW370007 Ivory, and VW370097 Ivory, VW370097 Blush, and VW370097 Ebony were not of the quality required by the contract and exhibited a pattern of defects.

55. In accordance with Requirement 2.6 of the Vendor Compliance Manual, paragraph 8 of the Terms and Conditions of Purchase Orders, and 13 PA. C.S. §§ 2601 and 2608, David’s Bridal has revoked its acceptance of the goods already accepted and rejected the goods not yet accepted.

56. Chinese Laundry is responsible for the costs associated with returning the defective shoes to it.

57. In addition to inspection and freight costs, David’s Bridal has incurred and will continue to incur attorney’s fees in connection with the return of the defective shoes.

58. The Vendor Compliance Manual explicitly states that David's Bridal "customers need merchandise by specific dates to be worn at weddings, proms, and other special events. David's Bridal depends on a reliable flow of quality product to meet special order time commitments and present a fully-stocked store for customers buying off-the-rack. Therefore, quality problems have a significant negative effect on our supply chain, our customer service, and on sales." Compliance Manual § 2.6. Chinese Laundry's breach has harmed David's Bridal's brand.

59. Chinese Laundry has breached its contract with David's Bridal.

60. As a result of Chinese Laundry's breach of contract, David's Bridal has incurred and will incur damages, including lost profits, and costs.

COUNT II
BREACH OF EXPRESS WARRANTIES

61. David's Bridal incorporates all of the allegations set forth in the preceding paragraphs as if fully set forth and restated herein.

62. Pursuant to the Terms and Conditions of Purchase Orders, Chinese Laundry expressly warranted that "all of the goods furnished shall be of merchandise quality and fit for David's Bridal purposes and that they shall conform to David's Bridal specifications and [Chinese Laundry's] representation, affirmation, promises, description, samples, or modes forming the inducement to enter this contract." Terms & Conditions ¶ 12.

63. Chinese Laundry breached these express warranties because the VW shoes in styles VW370002 Ivory, VW370007 Ivory, and VW370097 Ivory, VW370097 Blush, and

VW370097 Ebony, were not of merchandise quality, were not fit for David's Bridal purposes, and did not conform to David's Bridal specifications and Chinese Laundry's representation.

64. David's Bridal relied upon Chinese Laundry's express warranties in selecting Chinese Laundry as a vendor, and placing purchase orders with Chinese Laundry.

65. David's Bridal has sustained consequential and incidental damages as a direct and proximate result of this breach.

COUNT III
BREACH OF IMPLIED WARRANTY OF MERCHANTABILITY

66. David's Bridal incorporates all of the allegations set forth in the preceding paragraphs as if fully set forth and restated herein.

67. Both David's Bridal and Chinese Laundry are merchants within the meaning of the Pennsylvania Commercial Code.

68. Chinese Laundry implicitly warranted that the VW shoes were merchantable.

69. Chinese Laundry breached this implied warranty because the VW shoes in styles VW370002 Ivory, VW370007 Ivory, and VW370097 Ivory, VW370097 Blush, and VW370097 Ebony were not merchantable.

70. David's Bridal has sustained consequential and incidental damages as a direct and proximate result of this breach.

WHEREFORE, plaintiff David's Bridal demands judgment in its favor and against Chinese Laundry and relief on its Complaint as follows:

- a. Compensatory damages, including a refund for all VW shoes shipped to David's Bridal in styles VW370002 Ivory, VW370007 Ivory, and VW370097 Ivory, VW370097 Blush, and VW370097 Ebony that have not been sold by David's Bridal and remain in David's Bridal's inventory, and all costs incurred by David's Bridal in processing the recall and return-to-vendor of such units;
- b. Consequential damages, including lost profits;
- c. Reimbursement of its reasonable attorney's fees incurred in this action;
- d. Reimbursement of the costs incurred in this action; and
- e. Such other relief as the Court deems just and proper.

Respectfully submitted,

/s/ Nicole Reimann

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Dated: April 1, 2014

Exhibit A

DAVID'S BRIDAL® Vendor Compliance Manual

Introduction

This Vendor Compliance Manual is your guideline to doing business with David's Bridal. In this document you will find instructions for setting your company up as one of our vendors, producing units, packing and shipping units, and invoicing. Appendix A-1 contains an acknowledgment form indicating you have read the manual, understood it, and agree to abide by its provisions.

The Importance of Accuracy in Fulfillment

David's Bridal has unique requirements for retail product vendors. Timeliness of delivery is of utmost importance to our customers because they need our products by specific dates to be worn at weddings, proms, and other important events. For our stores, we also need to have a uniform product presentation in each season so we can support our selling model. To be a valued vendor for David's Bridal, we need you to be very accurate and honest regarding how long it will take for you to fulfill a purchase order. It is critical for our business to know exactly how much product we can expect and exactly when we can expect it to arrive. Please keep this in mind when accepting purchase orders and informing us when they can be fulfilled.

The Importance of Proper Labeling

Our distribution center processes rely on bar code scanning and the proper markings appearing on each carton. To be a valued vendor for David's Bridal, we need you to be meticulous in following our requirements for labeling, packing, and documentation.

If you can visit the Philadelphia area, we would be happy to schedule a tour of our distribution centers and show you how our receiving, picking, sorting, packing, and shipping processes work. Such a visit can provide you with valuable insight into how you can serve us better.

Chargebacks

Because accuracy, timeliness, and physical presentation of product are so important to us and our customers, failure to follow instructions causes us to expend extra labor hours to correct problems. We therefore must charge vendors for violations of the requirements listed in this manual. You will find the associated chargeback amount listed with each requirement in the manual. All violations also incur an additional \$25 chargeback processing fee.

However, please understand that David's Bridal does not want to charge back vendors. Our Vendor Compliance department has no monetary goals regarding fines for violations. Rather, our goal is to continuously improve our vendors' compliance with our requirements. We want to help vendors avoid chargebacks altogether, so if your company is having trouble adhering to any particular requirement, please contact your Buyer or the Vendor Compliance department so we can work with you to improve performance.

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Section 1 – Vendor Setup and Validation

Requirement 1.1 – Non-Disclosure Agreement

David's Bridal Agreement on Confidentiality

As you begin discussions with a Buyer about doing business with David's Bridal, you and the Buyer may have to discuss specifics of the business before determining if a relationship between our two companies will be mutually beneficial. We therefore require your company to sign an Agreement on Confidentiality (non-disclosure agreement) before beginning any substantial negotiations with our Buying team.

The Agreement on Confidentiality may be found on the Vendor Compliance web site as Appendix A-2.

Submitting the Signed Agreement

Submit your signed Agreement (and all further documents described in the remainder of Section 1) to:

David's Bridal
Attention: Philip Ricciardi
Director, Vendor Compliance
1001 Washington Street
Conshohocken PA 19428

By fax: 610-818-1071

Penalty (If This Requirement Is Not Met)

David's Bridal cannot conduct any substantial negotiations or business discussions with your company unless we have your signed Agreement on Confidentiality.

Requirement 1.2 – Vendor's Acknowledgment

Vendor Acknowledgment Form

After reviewing this Manual and determining that your company can fulfill our requirements, we require you to sign a Vendor Acknowledgment form. This form serves as your acknowledgment that you have received and reviewed the Manual and will conduct business with us in accordance with its requirements.

The Vendor's Acknowledgment may be found on the Vendor Compliance web site as Appendix A-1.

Penalty (If This Requirement Is Not Met)

If you cannot acknowledge your acceptance of our requirements for merchandise vendors, David's Bridal cannot place purchase orders with your company.

Requirement 1.3 – Code of Conduct**David's Bridal Code of Conduct for Product Manufacturing**

David's Bridal has initiated a Code of Conduct for vendors, specifically regarding how products are manufactured and under what conditions. The Code establishes ethical parameters that ensure workers in factories are treated fairly. These parameters or similar ones are used by many major retailers, and discussions with other companies inspired us to establish our own Code.

The Code of Conduct may be found on the Vendor Compliance web site as Appendix B.

Do You Know What Goes On Where Your Product Is Produced?

Our position is that if you don't know, you should find out! We drafted this Code to contain what we believe are common-sense requirements for manufacturing conditions, and to give you the incentive and reasonable opportunity to investigate and remediate problems if you discover any exist.

Penalty (If This Requirement Is Not Met)

David's Bridal feels very strongly that all our products must be manufactured in ethical and fair environments. Therefore, if you cannot certify that your manufacturing facilities are in compliance with the Code of Conduct, or will be within a reasonable period of time, David's Bridal cannot place purchase orders with your company.

Requirement 1.4 – Certificate of Insurance**General Liability Insurance**

Your company must carry liability insurance to protect David's Bridal from any liability that may be created from your products. We require a certificate naming David's Bridal Inc. and our subsidiary David's Bridal Canada Inc. as additional insured. The certificate must show personal injury limits of not less than \$1,000,000 per occurrence and property damage limits of not less than \$100,000 per occurrence. It must also indicate 30-day notice of cancellation to your company and the certificate holders.

Penalty (If This Requirement Is Not Met)

If you cannot provide an insurance certificate as described above, David's Bridal cannot place purchase orders with your company.

Requirement 1.5 – Contact Information**Information Required**

David's Bridal must be provided with the following information for at least one person in your company:

- Name
- Title
- Email Address
- Phone Number
- Fax Number (optional)

In additional, you must also provide for your company as a whole:

- Names of all affiliated companies and/or brands
- Address, City, State, and Zip Code
- Tax ID Number

Your main contact with David's Bridal will be your Buyer. Once we have this basic information, your signed acknowledgment form, your signed Code of Conduct, and your certificate of insurance, you can begin negotiations with your Buyer on operating terms.

Penalty (If This Requirement Is Not Met)

If you cannot provide at least one contact person or a valid Tax ID Number, David's Bridal cannot place purchase orders with your company.

Requirement 1.6 – Terms and Arrangements**Negotiations**

You will negotiate your contract and operating terms with your Buyer at David's Bridal. Parameters to be agreed upon will include:

- Payment terms and options
- Product prices and discounts
- Minimum purchase order quantities
- Standard purchase order lead time of each product
- Units flat-packed or hanging (GOH)
- Ticket production (see section 2.2 below also)
- Shipping arrangements (see section 1.7 below also)
- Product packaging and appearance

Other parameters may be negotiated depending on your product line or other circumstances.

Penalty (If This Requirement Is Not Met)

All the parameters listed above and any other you and your Buyer determine are important to our working relationship must be negotiated and agreed upon before David's Bridal can place purchase orders with your company. Please note that our Accounts Payable department may contact you and/or perform a "due diligence" review of publicly-available information regarding your company finances as part of these negotiations.

Requirement 1.7 – Determining Standard Shipping Arrangements**Who Pays For Shipping?**

In addition to negotiating your vendor contract with David's Bridal, we should also jointly determine who will pay for shipping goods to our facilities. Most vendors chose to have David's Bridal pay for shipping because we have very favorable rates with UPS. However, your company may also have good shipping rates.

Before deciding on this important point, you should discuss shipping rates with our Director of Traffic, Harry Elliott, to determine whether it is most economical for David's Bridal or your company to pay for shipping. Harry can be reached at (610) 943-6478.

Penalty (If This Requirement Is Not Met)

Not applicable. However, once a standard shipping arrangement is established other requirements must be met, and have chargeback implications if they are not (See Section 4).

Requirement 1.8 – Product Certification**Samples For Certification**

Samples are required for both new vendors and for new styles produced by existing vendors. This requirement applies even if you feel a new style is very similar to one you already produce.

For dresses and other garments, please see Appendix E for a complete explanation of the product certification process. Requirements differ depending on whether your product is branded as a David's Bridal brand or your own label.

For accessories, a sample unit for a new style must be sent to your Buyer first. The Buyer, QA department, and DC management will review the sample for appearance, quality, packaging, labeling, and compatibility with DC equipment.

Certificates of Compliance

Vendors are required to understand which provisions of the US Consumer Product Safety Improvement Act apply to their products. Certificates of compliance must be maintained for each product / style, affirming that your product has been tested and is in compliance with all applicable consumer product safety rules, bans, standards, and regulations. See Section 2.6 for more details.

Penalty (If This Requirement Is Not Met)

Your company may not ship product to our stores or distribution centers until all required samples are certified. See Section 2.6 for penalties associated with shipping product without first properly completing the certification process.

Requirement 1.9 – Branding**David's Bridal Brand or Your Brand?**

As part of your discussions with your Buyer, you will determine if your product will be labeled with a David's Bridal brand or with your own brand. If you are labeling your product with your own brand name, you are required to have registered or otherwise own the rights to your brand/trade name in the United States, Canada, and the United Kingdom. Other nations may be added to this list in the future as David's Bridal pursues international expansion plans.

Registering brand names other than David's Bridal brands in the United States and other countries is the responsibility of the vendor.

Penalty (If This Requirement Is Not Met)

If you cannot certify or confirm that your product brand rights are owned by your company in the United States, Canada, and the United Kingdom, your products will not be sold in those countries where you have not registered your brand.

Section 2 – Production and Appearance of Units

Requirement 2.1 – Receiving Purchase Orders

Receiving and Reviewing Purchase Orders from David's Bridal

David's Bridal is not yet EDI capable for domestic purchase orders (although we are working on a systems upgrade). You will receive purchase orders by email or postal mail.

Our purchase orders contain delivery and cancel dates based on standard lead times negotiated with your company. Each time you receive a purchase order, you should review your production schedule, materials stock, and/or finished product stock situation to determine if the purchase order can be fulfilled (i.e., delivered to David's Bridal store or distribution center) by the cancel date. If any issues lead you to believe you may not be able to fulfill the purchase order in time, you must immediately contact your Buyer and discuss the situation. David's Bridal will in many cases be making promises to customers regarding product availability based on a purchase order's cancel date. It is therefore critical that purchase orders arrive at our designated facility on or before that date and for the exact amount of units ordered.

If We Tell David's Bridal We Cannot Fulfill a Purchase Order, Will We Be Disqualified As A Vendor?

The short answer is no. Never hesitate to talk to your Buyer if you receive a purchase order from us that you do not feel you can fulfill by the cancel date. Remember that you became part of our vendor family because we believe in your product, and we want your product in our stores. We appreciate honesty from a vendor regarding their capability to fulfill a PO, and we can sometimes adjust our plans to accommodate your production schedule.

However, remember that it is better to let us know about any problems fulfilling a PO as early as possible. A conversation with us regarding an extension to a PO cancel date goes a lot easier a few days after the PO was issued vs. a few days before it is due to be delivered!

Penalty (If This Requirement Is Not Met)

Chargebacks will apply for unauthorized late deliveries, early deliveries, over shipments, and short shipments. Purchase orders not delivered to the correct David's Bridal facility on or before the Cancel Date may also be refused on delivery to distribution center or store (See Section 4).

Requirement 2.2 – Ticketing Requirements**General Ticket Requirements**

All merchandise must be ticketed with David's Bridal retail price tickets. Vendors approved to create David's Bridal retail tickets will receive a file containing the ticket information. Vendors unable or not approved to create David's Bridal retail tickets will be provided tickets prior to shipping. If you do not have sufficient tickets or incorrect tickets when merchandise is ready to ship, contact your Buyer before shipment for instructions. Do not ship without tickets or with tickets that do not match the item.

Special Note on Hang Tags

If your product requires hanging tags, these are often attached by a "swiftach" fastener, such as this one:



Please use only the "paddle" ended type fastener shown above. Price tickets attached with smaller fasteners, such as the "T-End" one shown here:



fall off the units too easily. "T-End" fasteners are not acceptable.

Dresses & Jackets

Type: Hang Tag
Where Affixed: From wearer's perspective, on left seam if sleeveless or at end of left sleeve

**Skirts**

Type: Hang Tag
Where Affixed: From wearer's perspective, on left seam



Requirement 2.2 – Ticketing Requirements, continued**Slips**

Type: One Hang Tag and one Sticker
 Where Affixed: Sticker on plastic bag, Hang Tag at seam

**Bras**

Type: One Hang Tag and one Sticker
 Where Affixed: Hang Tag – left side at seam
 Sticker – on flattest surface of package
 (front or back, not side)

**Hosiery**

Type: Sticker
 Where Affixed: Right upper corner on front of package

**Shoes – Boxed**

Type: Two Stickers
 Where Affixed: One Sticker on box underside, other Sticker on front



Requirement 2.2 – Ticketing Requirements, continued**Shoes - Bagged**

Type: Sticker on bag and Sticker or Hang Tag on shoes
 Where Affixed: Sticker – outside of bag
 Sticker or Hang Tag – footbed or on strap

**Gifts & Ribbons - Boxed**

Type: Sticker on box or unit, Sticker or Hang Tag on item if it will be displayed outside of it's box
 Where Affixed: One Sticker on flat underside of box or unit
 Other Sticker or Hang Tag attached to unit if it will be displayed outside of packaging it was received in

Gifts & Ribbons - Bagged

Type: Sticker on bag, Sticker or Hang Tag on item
 Where Affixed: Sticker on bag
 Sticker or Hang Tag attached to unit

**Headpieces – Veils**

Type: One Hang Tag and one Sticker
 Where Affixed: Hang Tag on edge of unit, Sticker on packaging



Requirement 2.2 – Ticketing Requirements, continued**Headpieces –
Tiaras, Combs,
Headbands**

Type: One Hang Tag and one Sticker
 Where Affixed: Hangtag on frame, Sticker on outer packaging

**Handbags**

Type: One Hang Tag and one Sticker
 Where Affixed: Hang Tag inside of bag, Sticker on outer package

**Gloves**

Type: Sticker
 Where Affixed: On outside of package, right corner

**Jewelry –
Displayed on
Cards**

Type: Two Stickers
 Where Affixed: One Sticker on back of card, one outside of bag



Requirement 2.2 – Ticketing Requirements, continued**Jewelry – Not Displayed on Cards**

Type: One Hang Tag and one Sticker
Where Affixed: Hang Tag on clasp, Sticker on outside of poly bag

If You Print Your Own Tickets Use Direct Thermal Ticket Stock

If you print and affix your own tickets, use direct thermal tickets or some other type of non-reflective ticket. Our sortation system reads the bar code on the tickets, and a reflective ticket will not be readable by our sorter. Use of reflective tickets may result in a chargeback if our sortation system cannot read them.

Penalty (If This Requirement Is Not Met)

If units are not ticketed, have tickets improperly affixed, or have incorrect or illegible tickets affixed, David's Bridal will have to print the correct tickets and affix them. A chargeback will be applied based on a penalty of \$0.75 per unit or actual labor hours incurred @\$20 per hour, at the discretion of David's Bridal. A request to replace tickets already sent to you will also incur a chargeback of \$0.75 per unit, plus shipping costs.

Requirement 2.3 – Label Requirements**General Label Requirements**

All merchandise must, in some way, have the following information displayed on each unit:

- Care Information, if unit is considered a garment.
- Country of Origin ("Made In XXX").
- Fiber Contents & Percent of Each Fiber in Textile, if unit is made from any type of textile.
- RN # and CA#, if unit is considered a garment (you may use your own or David's (RN# 84270, CA# 56206).
- Size, if unit comes in multiple sizes.

Care Information, Country of Origin, and Fiber Contents must be written in 4 languages – English, French, Spanish, and Portuguese.

Why 4 Languages? International Sales

David's Bridal has plans for international expansion. We already have stores in Canada and Puerto Rico, and other international markets may be entered soon. Requiring English, French, Spanish, and Portuguese enables us to initiate our expansion plans without having to frequently change our label language requirements.

Some products may be designated by the Buyer for USA sales only. If any product is so designated, that product only is exempt from the requirements for labeling with non-English languages and CA #. However, please be aware that David's Bridal reserves the right to re-designate a product for international sales at any time, and the appropriate labeling requirements would then apply. Ensure you and your Buyer are in full agreement on which products are exempt, as such designation may not appear on the purchase order.

Does David's Have a Standard Label Format?

Other than the guidelines provided above, David's Bridal does not have specific requirements or a standard label format. Vendors may develop labeling for their products as they see fit. We will provide any feedback or corrections we feel necessary when we review the label on your sample for certification (see section 1.8 above).

Visibility

Customers must be able to see the required label information on the unit both as it is displayed and as it is purchased. You should therefore be mindful of whether or not your merchandise will be displayed in or out of the packaging it is shipped in. For example, you may normally place the required label information on your product packaging, but David's Bridal may remove the packaging to display the unit on a rack. The customer would then have no visibility to the country of origin, size, etc.

All vendors are required to discuss this issue with their Buyer, ensure they are aware of how their merchandise will be displayed, and design labeling accordingly.

Requirement 2.3 – Label Requirements, continued**Style Preview Tags**

When introducing new styles in our stores as a sales test, David's Bridal sometimes desires to include a "Style Preview" tag to indicate to our consultants that the item is not yet available for special order and has limited availability. Your Buyer will inform you if Style Preview tags are requested for new product you are introducing into our assortment. Here is an example of a style preview tag attached to boxed shoes:

**Penalty (If This Requirement Is Not Met)**

If any unit is not labeled, has the label improperly affixed, or has incorrect labels affixed, either our distribution center will have to re-label the units or the entire purchase order will be refused and returned at vendor's expense. A chargeback will be applied based on a penalty of either \$0.75 per unit, actual labor hours incurred @\$20 per hour, or cost of shipping the purchase order back to the vendor, at the discretion of David's Bridal.

Requirement 2.4 – GOH Packaging (If Your Units Are Delivered On Hangers)**When Does This Requirement Apply?**

This requirement applies when your product is a garment that will be displayed on a hanger in the store, or an e-commerce style that will be shipped on a hanger to a customer.

Hangers

For hanger hooks, our specifications include a hook diameter of 5/8" from tip of hook to body, a hook length of 3 1/2" from top of hanger to plastic, and a hook metal gauge of 11.

Acceptable hanger models include the following. All hanger part numbers are from National Hanger (1-800-HANGERS):

- 14" White Dress Hanger w/chrome swivel hook, part #1414
- 17" White Dress Hanger w/chrome swivel hook & washers, part #1500WW
- 17" White Dress Hanger w/chrome swivel hook & washers with foam edge, part #1500APW
- 14" White Skirt Hanger w/chrome swivel hook & white plastic clips, part #1600PCLH
- 14" White Skirt Coordinate Hanger w/chrome swivel hook and white plastic clips, part #1614PC

We specify these hangers because we know they work well with our sortation equipment in the distribution center and will contribute to a uniform appearance of goods in our stores. We can occasionally accept other hangers, but they must be sent to the distribution center first so we can test them on our equipment and be approved for appearance by our Store Operations department.

No Extraneous Tickets / E-Commerce Exception

GOH units may not be shipped with any unauthorized tickets, hangtags, cards, etc. attached to them.

However, units ordered for e-commerce sales will have a special "Davidsbridal.com" hangtag. Units for retail sales should not have the e-commerce hangtags applied.

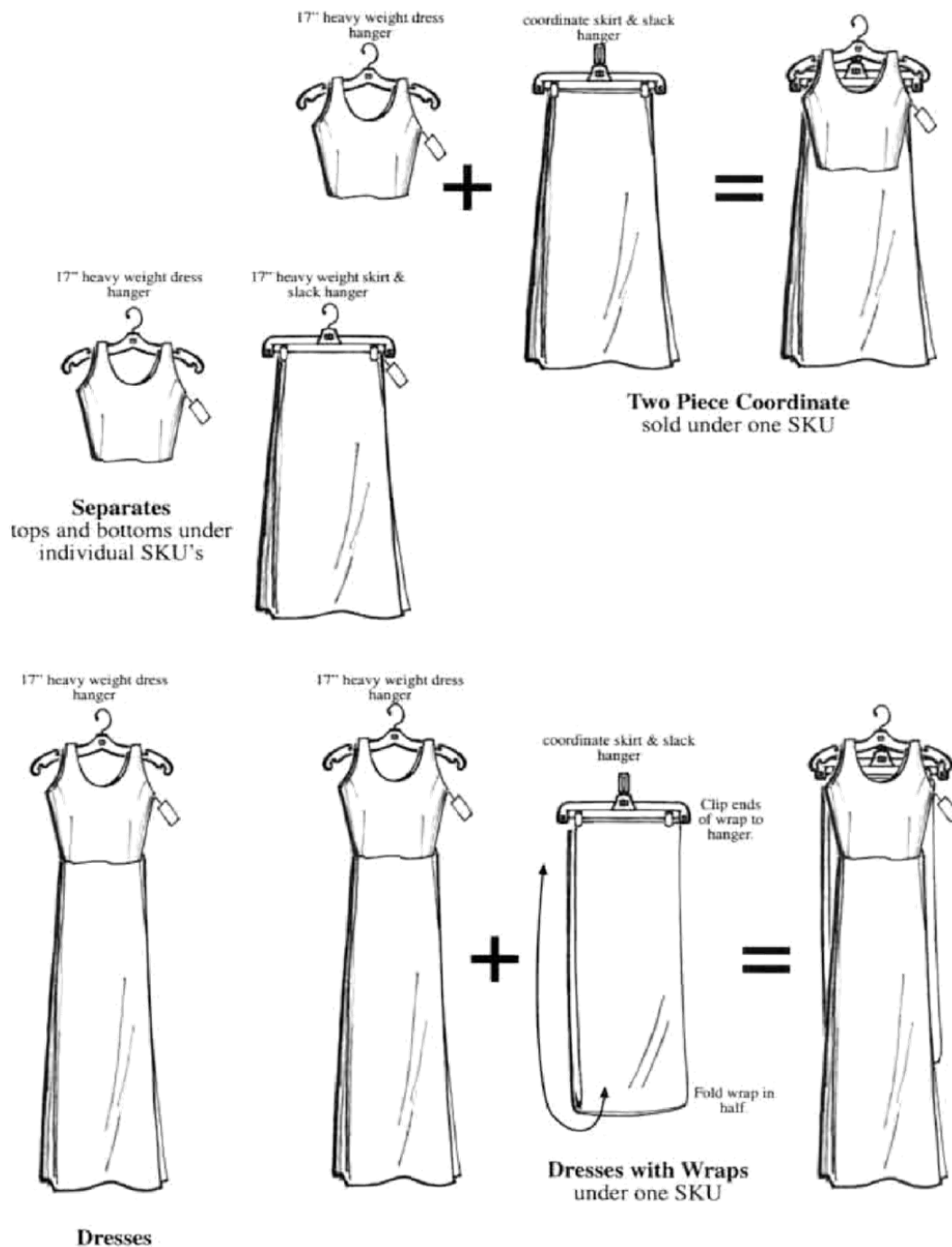
Other Notes About GOH Units

If you can see the tip of the hanger when the garment is on it, then do not use hangers with foam.

Shawls and wraps must be hung as shown in the diagram on the next page, using the designated hanger.

Requirement 2.4 – GOH Packaging, continued

Below please find some examples of GOH units properly hung:

DAVID'S BRIDAL**Hanger standards for floor ready merchandise for Non-bridal Dresses**

Requirement 2.4 – GOH Packaging, continued**Polybags**

You may ship garments to David's Bridal either in individual bags (one per garment), or with all units placed in a master bag (see requirement 3.3 for packing guidelines). If your garments will be shipped to us in individual bags, please follow these guidelines:

- The bag must have a thickness of at least 1 millimeter. Please be sure to use high-quality bags that are pliable and do not tear easily
- When possible, the bag should be long enough to enclose the garment without folding it, but in all cases must not be more than 66 inches in length. This maximum length ensures the bag will not be dragged on the floor when in our hanging sortation system and help prevent damages.
- If a product consists of more than one piece (e.g., dress and a jacket), all pieces must be packed in the same bag.

Penalty (If This Requirement Is Not Met)

The following violations will incur a chargeback of \$0.75 per unit unless otherwise specified:

- Plastic bags that are incorrect length, too thin, torn, dirty, or of poor quality.
- Unauthorized tickets or hang tags on received merchandise.
- E-commerce units missing the davidsbridal.com hangtag.
- GOH units received on hangers that are not on the authorized list above (and not approved by Store Operations), broken, or dirty. Labor to replace unusable hangers may also incur a chargeback of \$20 per labor hour.
- GOH units improperly hung (see diagram on previous page).

Requirement 2.5 – Flat Packaging

How to Package Flat Units

If your product is not a garment on a hanger, the following requirements must be met for each unit:

- Each individual saleable unit must have its own individual, fully sealed packaging (bag, box, etc.).
- The dimensions of each unit may not exceed 23 " x 23 " x 7".
- The packaging must be compatible with the distribution center's pick-pack operation and protect the merchandise from material handling issues. For example, shoe boxes must have elastic bands around them to prevent the lids of the boxes from flying off in our sortation system.
- As described in section 2.2, each unit must have a scan-readable UPC bar code ticket affixed to the outside of the package, and some products require a 2nd ticket attached to the unit itself. The UPC bar code should be affixed to the flat side of the unit packaging facing away from the display side.

So each flat unit must have 2 or 3 items affixed – 1 or 2 retail price tickets with UPC bar code (see section 2.2), and a country of origin/care label (see section 2.3).

How Does David's Bridal Sortation Equipment Work in the Flat DC?

Picked units are placed on a conveyor with "bomb-bay door" bins, one unit per bin. When the conveyor bin reaches a designated chute by store, the bottom of the bin opens and the item drops into the chute. Units are packed into cartons for shipment to stores.

Your unit packaging must protect the unit from a drop of 4 feet and from other units landing on top of it. The packaging must also be smooth enough not to get snagged and prevent the package from opening in our conveyor equipment. As stated in the Introduction, we would be happy to schedule a visit for you to our DC in Bristol PA so you can see our operation and discuss packaging options.

Can David's Bridal Provide Packaging Specifications?

This manual cannot provide specific packaging and label placement instructions for every product. However, examples of packaging and properly-affixed tickets and labels appear in Section 2.2 for your guidance. You will also be providing a sample unit, complete with packaging, when you certify your products (see section 1.8). We will test your sample with our equipment and work with you if we find any issues so we can avoid chargebacks.

Penalty (If This Requirement Is Not Met)

The following violations will incur a chargeback of \$0.75 per unit:

- Units not individually packed or packaging not fully sealed.
- Unit size exceeding maximum dimensions (23"x23"x7").
- Missing or incorrect UPC bar code label.
- Unauthorized tickets or hang tags on received merchandise.

Requirement 2.6 – General Guidelines on Quality and Testing**When Does David's Bridal Inspect Merchandise?**

David's Bridal subjects all merchandise received at its distribution centers to a generally accepted industry QC sampling process:

- If the shipment passes the initial inspection, QC process is complete and the units are placed into available stock.
- If the shipment fails the initial inspection, an additional sample is selected and inspected.
- If the shipment fails this second inspection, the entire shipment is inspected.
- If the shipment fails the third (100%) inspection, it will be determined to have failed the QC process, and appropriate chargeback penalties will be assessed (see below).
- Even if a shipment passes the QC process, customers may later detect quality issues when they purchase units. When customers alert us to valid issues, David's Bridal will inspect the balance of stock in the distribution centers to determine if it is of acceptable quality. If a pattern of defects is discovered, the original shipment may be retroactively determined to have failed the QC process, and appropriate chargeback penalties will be assessed (see below).

What Defects Does David's Bridal Inspect For?

To pass our QC inspection, merchandise must be free of defects included in, but not limited to, the following:

- Holes, tears, runs, or other flaws in the fabric or materials.
- Dirt, stains, mold, or any other type of soiling.
- Open or loosely stitched seams.
- Color transfer to other material (aka bleeding or crocking).
- Poorly sewn or broken zippers, clasps, or other fasteners.
- Missing or poorly sewn buttons, trims, beads, jewels, or other embellishments.
- Broken, torn, or soiled packaging.
- Glue spots or other excessive adhesive.
- Any inconsistency with manufacturing specifications, size grading, or the production sample (see requirement 1.8).
- Any other defect that would make the item unwearable at a special event or unusable for its designated purpose.

See Appendix E for a detailed list of unacceptable defects.

Special Note On Shading and Dye Lots

Since many of our products are worn by bridal parties, David's Bridal must ensure that all items are identical in shade. Shipments arriving at the distribution center with color-specific styles are evaluated and graded as to color. We will employ generally accepted industry standards used by the American Association of Textile Chemists and Colorists. Shipments determined to be of a dye lot or shade not within David's Bridal acceptable range will fail the QC process.

Requirement 2.6 – General Guidelines on Quality and Testing, continued**"Top of Production" Samples**Garments/Dresses, New Styles

Photography samples and "top of production" (TOP) samples are required when a product is first produced for David's Bridal as specified in Appendix E. Please note that requirements differ depending on whether the garment is labeled with a David's Bridal brand or with a vendor brand.

Accessories, New Styles

As stated in section 1.8, samples for accessories and other non-garment products are only required when a product is first produced for David's Bridal, and should be sent to the Buyer at least 2 weeks before the Cancel Date of the first purchase order for the product.

On-Going Styles, All Products

Once a style/product is certified, David's Bridal does not normally require a TOP sample to be sent before shipping the bulk of a purchase order. This is because we believe vendors should perform their own rigorous quality control to ensure that units sent to David's Bridal are only of first quality. However, please be aware that if David's Bridal begins to detect a pattern of frequent quality problems, we reserve the right to require TOP samples from the production runs of any vendor PO's, to be delivered for inspection at least 2 weeks before the Cancel Date of the purchase order. Once this requirement is initiated, David's Bridal will continue to require TOP samples for all PO's until we are satisfied that the vendor has their quality problems under control.

Special Statement and Requirements Regarding Product/Material Testing and Regulations

David's Bridal is not a manufacturer, and we have no expertise in determining whether or not any product meets regulations regarding product safety. Your signature on the Vendor Acknowledgment form (Appendix A-1) serves as your certification that your products are and will in the future be compliant with all applicable federal, state, and/or international regulations regarding product safety, composition of materials, and labeling. David's Bridal will not perform any testing or inspection except as described in this manual, and accepts no responsibility for any liability that may result from your products' non-compliance with applicable regulations.

As stated in requirement 1.8, for each product/style you provide to us you must also maintain a certificate of compliance. You are responsible for having your products tested by an accredited independent testing laboratory. David's Bridal reserves the right to require that you produce a recent certificate of compliance, along with associated test results, for any product or style within 24 hours of request. You may also provide access to electronic certificates via a web site. For garments, see Appendix E for a list of tests that may apply to your product.

Requirement 2.6 – General Guidelines on Quality and Testing, continued

Penalty (If This Requirement Is Not Met)

Our customers need merchandise by specific dates to be worn at weddings, proms, and other special events. David's Bridal depends on a reliable flow of quality product to meet special order time commitments and present a fully-stocked store for customers buying off-the-rack. Therefore, quality problems have a significant negative effect on our supply chain, our customer service, and on sales. Shipments that fail inspection will incur one or more of the following chargeback penalties, at the discretion of David's Bridal:

- All shipments that fail the initial inspection, therefore generating a second and a possible third inspection, will incur a chargeback for the labor hours of the additional inspections at a rate of \$20 per hour, even if the shipment is subsequently accepted.
 - All or part of any shipment that fails the QC process, or for which you cannot provide a recent certificate of compliance upon request, may be returned to the vendor. Vendor will be charged for the cost of the return freight and labor time needed to process the RTV at a rate of \$20 per labor hour.
 - When a photography, TOP, or other sample is required during the initial certification process, or if David's Bridal initiates the requirement for subsequent TOP samples to be submitted before shipping the bulk of a PO, failure to provide such samples in time may result in David's Bridal refusing the bulk of the PO and returning it to the vendor. Vendor will be charged for the cost of the return freight and any labor time required at a rate of \$20 per labor hour. Even if the PO is accepted, a penalty of up to 10% of the value of the PO may also be applied, at the discretion of David's Bridal.
 - David's Bridal may determine that the units of a shipment which failed the QC process could be repaired by David's Bridal in-house staff. If so, we may discuss the possibility of avoiding an RTV by allowing our internal staff to repair the items and charge the vendor for the work at a rate of \$20 per labor hour. This option would be used only upon mutual agreement between the vendor and David's Bridal.
-

Section 3 – Completing and Packing Purchase Orders

Requirement 3.1 – No Unauthorized Substitutions

**Can Vendors
Substitute One
Item For Another
On a Purchase
Order?**

You may not substitute styles, colors, or sizes for those on purchase orders without authorization. The purchase order must be fulfilled as submitted to you by David's Bridal. No product may ever be shipped to David's Bridal unless it is included in an approved purchase order.

If you cannot fulfill all or part of a purchase order you previously accepted from David's Bridal, but could send another product, call your Buyer immediately. There may be occasions when David's Bridal can accept other styles you are ready to ship. If a substitution is authorized, your Buyer will modify the purchase order so we can receive what you are actually sending and avoid a chargeback.

**Penalty (If This
Requirement Is
Not Met)**

No chargeback will be assessed if David's Bridal has authorized a substitution and modified the purchase order before it is shipped.

However, if our distribution center receives any styles, colors, or sizes which are not on an approved purchase order, the following actions may be taken at the discretion of David's Bridal.

- All or part of the shipment that contains an unauthorized substitution may be returned to the vendor. Vendor will be charged for the cost of the return freight and any labor time needed to process the RTV at a rate of \$20 per labor hour.
- If a shipment with the unauthorized substitution is accepted and received, David's Bridal still retains the right to apply a chargeback of up to 10% of the total invoice value of the shipment. This penalty will be applied to compensate David's Bridal for the impact the unauthorized substitution has on our product assortment, merchandizing plan, lost sales, and customer service.
- If a shipment with the unauthorized substitution is accepted and received, David's Bridal also may apply a purchase order adjustment chargeback of \$25.

Please avoid these substantial chargebacks by always calling your Buyer for authorization before shipping a substitution.

Requirement 3.2 – Shortages and Overages**Policy Regarding Shortages and Overages**

You may not ship a purchase order with either fewer or more units ordered without authorization. The purchase order must be fulfilled as submitted to you by David's Bridal, and sent in one complete shipment (multiple shipments per PO are not permitted).

If you cannot fulfill all or part of the units on a purchase order you previously accepted from David's Bridal, call your Buyer immediately. There are occasions when David's Bridal can accept fewer or more units. If a change in unit volume is authorized, your Buyer will modify the purchase order so we can receive the amount you are actually sending and avoid a chargeback.

Penalty (If This Requirement Is Not Met)

No chargeback will be assessed if David's Bridal authorizes a change in unit volume and modifies the purchase order before it is shipped.

However, if our distribution center receives any amount of units which is different from the amount on the purchase order, or receives partial shipments for any purchase order, the following actions may be taken at the discretion of David's Bridal.

- All or part of the shipment that contains an overage (higher number of units delivered than ordered on the PO) may be returned to the vendor. Vendor will be charged for the cost of the return freight and any labor time needed to process the RTV at a rate of \$20 per labor hour.
- A shipment with a shortage (fewer number of units delivered than ordered on the PO) may be assessed a chargeback of up to 10% of the total invoice value of the shipment. This penalty will be applied to compensate David's Bridal for the impact the shortage has on our product assortment, merchandizing plan, lost sales, and customer service.
- A purchase order received across multiple shipments will incur a chargeback of \$100.00, even if eventually received complete.
- If a shipment with an overage or shortage is accepted and received, David's Bridal also may apply a purchase order adjustment chargeback of \$25.

Please avoid these substantial chargebacks by always calling your Buyer for authorization before shipping fewer or more units than were ordered on the purchase order.

Duplicate Shipments Penalty

A purchase order shipped twice, whether through negligence or by accident, will be returned to the vendor. Vendor will be charged for the cost of the return freight and any labor time needed to process the RTV at a rate of \$20 per labor hour.

Requirement 3.3 – Packing Purchase Orders**Carton Requirements**

The following requirements apply to all shipments in cartons:

- All purchase orders must be packed separately. Do not mix units from different PO's in the same carton.
- Cartons must be constructed of corrugated material and be of sufficient size to accommodate the merchandise within (no bulging sides, tops, or seams).
- Loose space in a carton must be filled with packing material to prevent items from being damaged during shipment.
- A packing list must be included in one of the cartons for each shipment that is going to a specific location (distribution center, store, etc.), or may be attached to the Bill of Lading if shipped by truck. The packing list must contain a listing of all units in the shipment by purchase order, presented in style, color, and size sequence.
- Other information to be included on the packing list is your company name, address, phone #, delivery location, date, and invoice number.
- All packing lists must be typed, not hand-written.

Appendix C contains an example of an acceptable packing list.

Markings on the Outside of Each Carton

The following information must be clearly marked on the side of all cartons (not the top or bottom):

- Ship-to address
 - David's Bridal PO number
 - Your vendor name and/or number
 - Quantity of units (by SKU, if multiple SKU's are in carton)
 - Carton # of PO (1 of __, 2 of __, etc.)
 - For e-commerce PO's only, "ATTN STORE 951".
 - For cartons shipped to one of our distribution centers, a scannable UPC bar code ticket (an extra retail ticket, the same as the tickets you attach to each unit) that exactly matches the SKU inside the carton. If your tickets are not stickers, attach the ticket to the carton with clear tape. Tickets may also be photocopied and the copy attached to the outside of the carton. UPC tickets are not required on the carton if the PO is sent directly to a DB store.
 - Please note that if you are having shipments sent directly from a third party to David's Bridal all carton markings are still required as specified above, so please inform your third party partner of all these packing requirements.
-

Requirement 3.3 – Packing Purchase Orders, continued**Example of Properly Marked Carton**

An example of a properly marked carton is shown below:

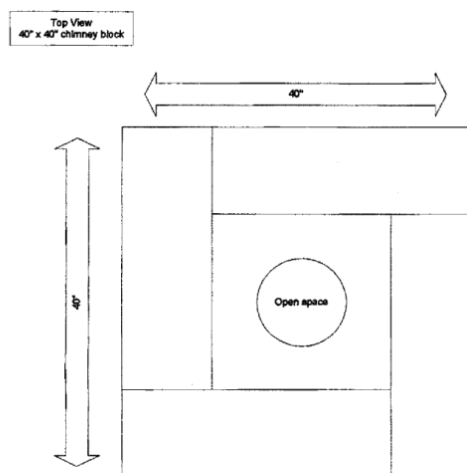
Ship-to address Vendor name PO # UPC tickets



Quantities Carton # (2 of 2 in this example)

Palletizing Cartons

PO's delivered by LTL freight must be stacked on pallets (minimum size 40" x 40"). Cartons stacked on a pallet must not exceed 5 feet in height to prevent the bottom cartons from being crushed. Cartons must be grouped together by PO. Pallets must be in good condition and constructed to bear the weight of the merchandise. Cartons should be stacked in a "chimney block" pattern with the markings visible (facing outward), and be shrink-wrapped.



Requirement 3.3 – Packing Purchase Orders, continued**Requirements
That Apply to Flat
Products (Units
Not on Hangers),
Bristol DC**

The following requirements apply to all shipments delivered to our Bristol PA distribution center:

- Each carton must contain only one SKU (style/color/size) and units from only one PO.
 - Cartons may not exceed 50 pounds in weight.
 - Cartons containing accessory items such as headpieces, jewelry, handbags, etc., may not exceed 24" in length, 20" in width, or 20" in height. Cartons containing gowns may not exceed 28" in length, 23" in width, or 22" in height.
-

**Requirements
That Apply to
GOH Products
(Units on
Hangers),
Conshohocken DC**

The following requirements apply to all GOH shipments delivered to our Conshohocken PA distribution center:

- Each carton must contain units from only one PO and units of only one SKU (style/color/size), unless the PO calls for less than 5 or less units of a particular SKU. In this case, a SKU with 5 or less units on the PO may be combined in a carton with other SKU's, up to 3 SKU's. Any SKU with 6 or more units must be packed in its own carton with no other SKU's.
- Cartons containing gowns may only be of 4 standard sizes –
 - 15" wide x 24" deep x 6" high,
 - 15" wide x 24" deep x 12" high,
 - 15" wide x 22" deep x 18" high, or
 - 15" wide x 24" deep x 24" high.
- All garments not individually bagged must be placed in a master polybag inside the carton.

Please see the separate document "Dress Packing Standards" on the Vendor Compliance web site for complete guidelines for garment on hangers packing and for a list of suppliers of the standard cartons.

Requirement 3.3 – Packing Purchase Orders, continued**Penalty (If This Requirement Is Not Met)**

The following violations will incur a chargeback of \$100.00 per purchase order for each violation:

- Missing packing list.
- Packing list with missing or incorrect information, including when a shipment's actual unit count does not match the unit count on the packing list, by SKU.
- Hand-written or otherwise illegible packing list.
- Pallets in poor condition.
- Cartons not properly secured on pallets.

The following violations will incur a chargeback of \$7.50 per carton for each violation:

- Units from different purchase orders or different SKU's intermingled in the same carton (except when multiple SKU's allowed for GOH shipments as explained above).
- Carton exceeding dimension limits.
- Carton excessively packed (bulging) or weighing more than 50 pounds.
- Crushed cartons delivered on pallets stacked over 5 feet high.
- Missing or incorrect carton markings.
- Missing, incorrect, or unscannable UPC ticket on outside of carton (not applicable for shipments directly to stores).

Any damages resulting from improper packing will be assessed chargebacks as per Section 2.6 (Quality and Testing).

Section 4 – Shipping to David's Bridal**Requirement 4.1 – Determining Shipping Method****UPS Shipping**

As stated in section 1.7, your normal shipping method is determined when your company is first set up as a David's Bridal vendor. For most vendors, the best choice will be to ship via UPS, with David's Bridal paying the shipping costs. You will negotiate these options with your Buyer and input from our Traffic department at time of setup.

When using UPS, refer to the Routing Guide (AKA Appendix D) for accounts, acceptable "ship via" services, and billing options. The Routing Guide is only available by email to approved vendors of David's Bridal.

Carriers Other Than UPS

When using carriers other than UPS to ship merchandise to David's Bridal, the following requirements must be met:

- Before contracting with a carrier, David's Bridal Traffic Department must approve the carrier.
- Each shipment must be accompanied by a Bill of Lading, specifying the PO associated with each carton.
- All non-UPS carrier shipments to any David's Bridal distribution center or e-commerce facility must have an appointment for delivery arranged at least 24 hours in advance. Appointments can be arranged with the Traffic Department at 610-943-6210.
- Vendors may only ship via a carrier other than UPS if the vendor is paying for the shipment.

Penalty (If This Requirement Is Not Met)

The following violations will result in chargebacks as specified for each violation:

- Delivery by an unapproved carrier will result in a chargeback equal to any shipping costs incurred by David's Bridal.
- Arrival of a carrier other than UPS at a David's Bridal distribution center without a delivery appointment or on a different day than the appointment will either result in a chargeback of \$100 for each PO delivered, or refusal of the merchandise at the dock, at David's Bridal discretion.
- A non-UPS shipment delivered without a Bill of Lading or a BOL with missing information will result in a chargeback of \$100 for each PO delivered, or refusal of the merchandise at the dock, at David's Bridal discretion.
- UPS shipments delivered in any way not consistent with the UPS routing guide (Appendix D) will result in a chargeback equal to the excessive cost of shipment.

Requirement 4.2 – Notifying David's Bridal of Impending Shipment

**Advanced
Shipping Notices**

David's Bridal requires an advanced shipping notice (ASN) at least 24 hours prior to any anticipated delivery. ASN's should be sent via fax transmission to one of the following numbers:

- For shipments to our Bristol PA distribution center, fax ASN to both 610-943-2517 and 610-943-2554.
- For shipments to our Conshohocken PA distribution center, fax ASN to 610-943-2570.

ASN's are not required when shipping merchandise directly to a David's Bridal store.

The following information must be included on each ASN:

- Vendor name
- Original FOB point
- Ship date
- All PO numbers, style numbers, and total units for each PO
- Number of cartons by PO
- Carrier name and BOL number (non-UPS carriers)

**Penalty (If This
Requirement Is
Not Met)**

Missing or incomplete ASN's will result in a chargeback of \$100 for each PO delivered, or refusal of the merchandise at the dock, at David's Bridal discretion.

Requirement 4.3 – Early and Late Arrivals**On Time Delivery**

As stated in the Introduction, David's Bridal customers need their merchandise by specific dates to be altered and worn at weddings, proms, and other important events. It is critical for our business to know exactly when we can expect product to arrive.

All David's Bridal purchase orders have a delivery "window" defined by a first delivery date and a cancel date. These purchase order dates can only be modified upon agreement between you and your Buyer. Absent any agreed-upon modification, product delivery to our distribution centers, e-commerce facility, or stores must take place within the dates of the delivery window.

In the case of a vendor delivering from somewhere outside of North America, the purchase order may also contain an "ex-orient" date. Goods must be delivered to our designated consolidators by this date to be considered on time. This stipulation only applies to purchase orders for which David's Bridal has contracted with an overseas consolidator for delivery, and does not apply to any purchase order for which the vendor is the importer of record.

Penalty (If This Requirement Is Not Met)

Purchase orders which arrive prior to the first delivery date or after the cancel date without the expressed permission of your Buyer will result in one of the following penalties, at David's Bridal discretion:

- David's Bridal may return the shipment to the vendor. Any labor involved in problem resolution and processing the return will be charged to the vendor at a rate of \$20 per labor hour. In addition, the cost of inbound freight will also be charged back to the vendor.
- If David's Bridal opts to accept the shipment, a chargeback of up to 10% of the PO's invoice value will result to compensate David's Bridal for lost sales and/or customer service issues that result from the early/late shipment, at the discretion of the Buyer.
- A PO shipped to the wrong address will be assessed a chargeback of \$8.00 per carton to cover the cost of forwarding the item to the correct address. If delivery to the wrong address also causes the PO to be late, the chargeback for lateness defined above may also be applied at the discretion of David's Bridal.

Please contact your Buyer as soon as you are aware that a purchase order may be early or late. David's Bridal can sometimes make accommodations that help you avoid a chargeback, but these can only be made if we know in advance that you may have an issue.

Requirement 4.4 – Invoicing and Accounts Payable**How Do I Get Paid by David's Bridal?**

David's Bridal has the following requirements concerning invoices:

- A separate invoice must be submitted for each purchase order. In the case of drop-shipments to stores, a separate invoice must be submitted for each store shipment.
- The prices and quantities on an invoice must match the purchase order specifications. If there is any difference between what you are billing for and what was ordered on the purchase order, the purchase order must be modified by your Buyer to match the invoice before Accounts Payable will issue any payment.
- No product may be shipped or invoiced unless it is included on an approved purchase order.
- All invoices must show the purchase order number. They must also list UPS package tracking number(s) if shipped by UPS. In the case of drop-shipments to stores, the invoice must also show the store number.
- Invoices must be accompanied by executed copies of all shipping papers if sent by common carrier.
- Invoices may not be dated or sent to Accounts Payable prior to the merchandise ship date.
- David's Bridal reserves the right to require proof of delivery for any invoice upon request.
- Send all itemized invoices and accompanying documents to Accounts Payable Department, 1001 Washington Street, Conshohocken PA 19428. You may also email these documents as .pdf attachments to invoices@dbi.com.

Penalty (If This Requirement Is Not Met)

Payment will be delayed or withheld for invoices that do not include the required information and/or accompanying documents.

Process & Rules Concerning Chargebacks

David's Bridal applies chargebacks assessed to a purchase order by deducting the chargeback amount from the payment made on the purchase order, or from a future payment if the purchase order invoice has already been paid.

A Vendor Violation Advice will be mailed to your address whenever a chargeback is processed. The Advice will explain what errors we saw and include copies of photos of the violation (if applicable) and the report received from the distribution center, store, or buyer. A vendor may submit further evidence or information to the Vendor Compliance department if they wish to dispute a chargeback, but they should do so within 3 months of the Advice Date. David's Bridal will not accept or consider any disputes made more than 3 months after the chargeback Advice is issued.

Exhibit B

DAVID'S BRIDAL

Vendor Compliance Manual Appendix A-2 Agreement on Confidentiality

WHEREAS, in the course of David's Bridal, Inc. business dealings with various vendors of merchandise ("Vendor"), such Vendors may obtain information or data with respect to David's business operations, which may include, without limitation, information about David's business, customers, sales, and other financial performance, financial projections, descriptions of David's strategic plans, the identity of one or more other parties with whom David's does business, descriptions of non-public transaction structure proposals, description of David's and other entities' business operations, computer systems, inventory systems, distribution networks, strategies, store operations, billing and receivable operations, systems development, and software, technical systems and product development methodologies and strategies, marketing and operational procedures and strategies, financial information and projections, business plans, client lists, and other similar information. Any such information, whether provided before or after the date of this agreement, will hereinafter be referred to as the "Confidential Information"; and

WHEREAS, David's has agreed to provide such Confidential Information to any Vendor which executes a Vendor's Acknowledgement of David's Vendor Compliance Manual ("Manual"), which information is only to be used in furtherance of the business relationship between David's and Vendor (the "Permitted Use"), and only upon the terms and conditions set forth herein; and

WHEREAS, David's and Vendor wish to set forth in this Agreement their agreements concerning use and protection of the Confidential Information;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, David's and Vendor hereby agree that:

1. **Acknowledgement.** The Confidential Information is proprietary to David's. Any disclosure or unauthorized use thereof may cause irreparable harm and loss to David's.
2. **Use of the Confidential Information.**
 - a. Vendor shall hold all of the Confidential Information in strict confidence, and, except as expressly set forth herein, will not disclose such Confidential Information to any third person(s) (which term as used in this Agreement will be broadly interpreted to include without limitation any corporation, Vendor, group, partnership, agency, or individual).
 - b. Vendor shall: (i) use the Confidential Information only in connection with the Permitted Use; (ii) disclose the Confidential Information only to its officers, directors, and/or employees who need to know the Confidential Information to accomplish the Permitted Use; and (iii) safeguard the Confidential Information with the same degree of care to avoid unauthorized disclosure as Vendor uses to protect its own Confidential Information of a similar nature; but in no case less than reasonable care. It is Vendor's responsibility to ensure that any officers, directors, or employees to have access to the Confidential Information will, prior to being provided with any or all of the Confidential Information, agree to be bound by the terms of this Agreement. Vendor shall not use the Confidential Information in any respect to compete with David's at any time or provide to a third party to compete with David's.
 - c. Immediately after Vendor's use of the Confidential Information for the Permitted Use, or earlier upon written request by David's, Vendor will return to David's all of the Confidential Information, together with all copies, computer files, and/or summaries of the Confidential Information, without retaining any copy thereof.

- d. David's will use commercially reasonable efforts to ensure the accuracy and completeness of the Confidential Information, but David's does not make and will not be deemed to have made any warranty as to the accuracy or completeness of any of the Confidential Information. David's will not be liable for any damages arising out of the use of the Confidential Information disclosed hereunder.
- e. Vendor will assume the liability for all damages, losses, costs, or expenses which result from: (i) the use of the Confidential Information by Vendor for any purpose other than the Permitted Use; (ii) disclosure of the Confidential Information by Vendor to third parties or entities, or (iii) the use of the Confidential Information by any person or entity other than Vendor, caused by the unauthorized disclosure or dissemination of same by any employees, agents, or contractors of Vendor.
- f. The foregoing obligations of Vendor will not apply to the extent that the Confidential Information: (i) which, at the time of its disclosure, is part of the public domain or which Vendor, after disclosure, becomes part of the public domain by publication or otherwise through no action or fault of Vendor; (ii) which Vendor can show was in its possession at the time of disclosure and was not required, directly or indirectly, from David's; or (iii) which was received by Vendor from a third party having a legal right to transmit the information can show was rightfully in its possession at the time of execution of this Confidentiality Agreement and was not subject to a non-disclosure obligation to David's.
- g. Subject to section 4 below, the foregoing obligations on Vendor will not apply to the extent that Vendor is required by law to provide the Confidential Information to a government agency or regulatory body.
- h. Vendor acknowledges its responsibilities under the federal securities laws, including without limitation, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 there under, with respect to trading securities while in possession of material non-public information.
3. **Legally Compelled Information.** In the event that Vendor or anyone to whom it transmits any Confidential Information becomes legally compelled to disclose any of the Confidential Information, Vendor will provide David's with prompt written notice before such Confidential Information is disclosed so that David's can seek a protective order or other appropriate remedy. In the absence of a protective order obtained by David's or David's failure to quash the legal process requiring disclosure or other measures effectively removing the legal compulsion, Vendor shall have no duty to resist the production of Confidential Information and the production thereof shall not constitute a breach of this agreement.
4. **Reasonableness.** Vendor acknowledges that these covenants are reasonable and necessary for the protection of the proprietary interests of David's and that irreparable injury will result to David's and its business if any provision of this Agreement is breached and agrees that if there should be any breach or threatened breach, David's shall be entitled to an exparte injunction prohibiting such conduct, in addition to any other remedies or damages available to it, and Vendor will reimburse David's for all court costs and legal fees, including reasonable attorneys' fees, incurred in enforcing this Agreement or obtaining relief hereunder.
5. **Other Commitments.** Nothing contained in this agreement or in any discussions undertaken or disclosures made pursuant hereto shall be deemed a commitment by David's to engage in any business relationship, contract, or future dealing with Vendor.
6. **Miscellaneous.**
- a. No patent, copyright, trademark, or other proprietary right is licensed, granted, or otherwise transferred directly, indirectly, or by implication or otherwise, by this Agreement or any disclosure hereunder, except for the right to use such information in accordance with this Agreement. No warranties of any kind are given with respect to the Confidential Information disclosed under this Agreement of any use thereof, except as may be otherwise agreed to in writing.

b. This Agreement shall be effective as of David's first submission of Confidential Information to Vendor and shall continue until terminated by either party upon thirty (30) days prior written notice. All obligations undertaken respecting Confidential Information and other obligations of Vendor hereunder prior to the date of such termination shall survive any termination of this Agreement and remain in effect for a period of five (5) years after disclosure of the Confidential Information.

c. This agreement may not be assigned by either party without the prior written consent of the other, except to any of its affiliates upon prior written notice. No permitted assignment shall relieve party of its obligations hereunder with respect to Confidential Information disclosed to that party prior to the assignment. Any assignment in violation of this Section shall be void. This Agreement shall be binding upon the parties and their respective successors and assigns.

7. Vendor Compliance Manual

a. If any provision of this agreement shall be invalid or unenforceable, such provision shall be deemed deleted from this Agreement and replaced by a valid and enforceable provision, which so far as possible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.

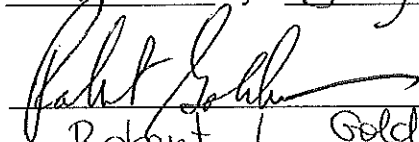
b. Vendor warrants that it has the authority to enter into this agreement and to lawfully make the disclosures contemplated hereunder.

c. This Agreement represents the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements, and understandings relating hereto. The provisions of this Agreement may not be modified, amended, or waived, except by a written instrument duly executed by both parties. This Agreement shall be governed in all respects by the laws of the Commonwealth of Pennsylvania, without regard for conflicts of laws principles.

Signed on this

19th day of July, 2011

Authorized Signature



Name Printed

Robert L. Goldman

Title

President & CEO

Vendor Name:

After signing and completing this **Agreement on Confidentiality** form, please return to:

David's Bridal, Attention: Vendor Compliance, 1001 Washington Street, Conshohocken PA 19428.

Signed form may be faxed to: (610) 834-3757.

If you have any questions, call your respective Buyer. David's must have on file your signed Vendor's Acknowledgement, Agreement on Confidentiality, and Code of Conduct before we can place purchase orders with your company. In addition to faxed forms, the original copies (with ballpoint signature) of the Vendor's Acknowledgement, Agreement on Confidentiality, and Code of Conduct must be sent to the Vendor Compliance department at the above address. **Notice: Any changes, revisions, modifications, and/or alterations to the Agreement on Confidentiality made by the Vendor will not be accepted, and will be returned to the Vendor.**

David's Use Only: Vendor Number _____

DAVID'S BRIDAL

Vendor Compliance Manual

Appendix A-1

Vendor's Acknowledgement

As a duly authorized representative of _____ ("Vendor"), a vendor of David's Bridal, Inc., I hereby acknowledge receipt and approval of David's Vendor Compliance Manual (the "Manual"), including all appendices, and certify that Vendor is and will remain in compliance with the requirements, terms, and conditions outlined therein.

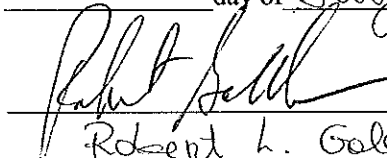
Vendor acknowledges that this Manual and its appendices contain important agreements regarding numerous aspects of Vendor's business relationship with David's, including (without limitation) vendor compliance requirements, shipping instructions, accounts payable, product testing and safety, and charge back policies. Vendor's signature below shall constitute Vendor's agreement to comply with and be bound by all of the requirements, terms, and conditions set forth herein. Vendor agrees that failure to comply with any provision contained in the Manual and its appendices may result in, without limitation, David's termination or suspension of the business relationship between David's and Vendor, termination of current production of merchandise, cancellation by David's of all outstanding orders with Vendor, refusal and return of any shipment of goods from Vendor, and/or implementation of, or demands for, immediate corrective action.

Vendor acknowledges and agrees that David's may amend, modify, or otherwise revise the Manual and its appendices from time to time, and any amendments, modifications, and revisions to the Manual as set forth shall be incorporated into and become a part of the Manual. David's agrees to make reasonable efforts to inform Vendor of material changes; however, it is the affirmative responsibility of the Vendor to continually ensure their products and processes are in compliance with the latest requirements. Vendor further acknowledges and agrees that adherence to such amendments, modifications, and revisions shall be the Vendor's responsibility, and that Vendor will not accept purchase orders from David's Bridal if Vendor cannot or is unwilling to comply with the latest requirements for fulfilling purchase orders.

Signed on this

19th day of July, 2011

Authorized Signature



Name Printed

Robert L. Goldman

Title

President & CEO

Vendor Name:

After signing and completing this **Vendor's Acknowledgement** form, please return to:

David's Bridal, Attention: Vendor Compliance, 1001 Washington Street, Conshohocken PA 19428.

Signed form may be faxed to: (610) 834-3757.

If you have any questions, call your respective Buyer. David's must have on file your signed Vendor's Acknowledgement, Agreement on Confidentiality, and Code of Conduct before we can place purchase orders with your company. In addition to faxed forms, the original copies (with ballpoint signature) of the Vendor's Acknowledgement, Agreement on Confidentiality, and Code of Conduct must be sent to the Vendor Compliance department at the above address. **Notice: Any changes, revisions, modifications, and/or alterations to the Vendor Manual or this Acknowledgement made by the Vendor will not be accepted, and will be returned to the Vendor.**

David's Use Only: Vendor Number _____

DAVID'S BRIDAL

VENDOR COMPLIANCE MANUAL APPENDIX B CONTRACTORS CODE OF CONDUCT

David's Bridal strongly encourages Contractors to exceed this Code of Conduct and promote best practices and compliance by Contractors with the Code of Conduct in all factories in which they manufacture merchandise. For questions or for information about this Code of Conduct please e-mail the Vendor Compliance department at DavidsStandards@dbi.com

While David's Bridal recognizes that there are different legal and cultural environments in which Contractors operate throughout the world, this Code of Conduct sets forth the basic minimum requirements Contractors must meet in order to do business with David's Bridal. The Code of Conduct also provides the foundation for David's Bridal ongoing evaluation of compliance by Contractors with the Code of Conduct.

Contractors are defined as any manufacturer, contractor, sub-contractor, supplier or vendor retained in connection with the production of products for David's Bridal; provided, however, that the definition of Contractor shall not include any vendor or supplier to the extent such vendor or supplier provides raw materials or components used in the production of such products which are stock-offered raw materials or components carried by the particular vendor or supplier.

LAWS & REGULATIONS

All David's Bridal Contractors must operate in full compliance with all applicable local and national laws, rules and regulations pertaining to all aspects of factory operations in the jurisdiction of which they conduct business.

EMPLOYMENT PRACTICES

David's Bridal will only do business with Contractors whose workers are treated fairly and who in all cases are present voluntarily, not put at risk of physical harm, fairly compensated, and allowed the right of free association and not exploited in any way. Contractors shall ensure procedures are in place by which workers, alleging violations of this Code of Conduct, may do so without fear of negative repercussions.

In addition, David's Bridal Contractors must adhere to the following:

• Wages and Benefits:

David's Bridal Contractors must pay workers wages and legally mandated benefits that comply with the higher of

(a) any applicable law, or (b) to match the prevailing local manufacturing or industry practices. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at such premium rates as are legally required, or in those countries where such laws do not exist, at least equal to their regular hourly wage rate. David's Bridal recognizes that wages are essential to meet workers' basic needs. David's Bridal will seek and favor Contractors who are committed to the betterment of wages and benefits within their facilities.

- **Working Hours:**

David's Bridal expects its Contractors to operate based on prevailing local work hours. Except in extraordinary circumstances, Contractors shall limit the number of hours that workers may work on a regularly scheduled basis to the legal limit on regular and overtime hours established by local laws and regulations in the jurisdiction in which they manufacture. Subject to the requirements of local law, a regularly scheduled workweek of no more than sixty (60) hours and one day off in every seven (7) day period are encouraged. Contractors will comply with applicable laws that entitle workers to vacation time, leave periods and holidays. Contractors must regularly provide reasonable rest periods and one day off within a seven-day period.

Any time worked over the norm for the area should be compensated as prescribed by the local laws. Whenever a worker is present in a facility, the worker's time must be recorded and the worker properly compensated. This applies to both regular and overtime hours and any time used for work preparations or repairs.

- **Child Labor:**

USE OF CHILD LABOR IS STRICTLY PROHIBITED. Contractors must: observe all legal requirements for the work of authorized minors, particularly those relating to - hours of work, wages, minimum education and working conditions. David's Bridal supports the development of legitimate, workplace apprenticeship programs and Contractors will be expected to comply with all laws and regulations applicable to such apprenticeship programs.

"Child" is defined as a person who is younger than 15 or younger than the age for completing compulsory education in the country where such age is higher than 15. David's Bridal will not utilize Contractors who use or permit the use of child labor in any of their facilities.

- **Prison Labor / Forced Labor:**

Contractors will not use or permit the use of bonded labor, indentured labor, prison labor, or Forced Labor in the manufacture or finishing of products ordered by David's Bridal. Nor will David's Bridal knowingly purchase materials from Contractors utilizing bonded labor, indentured labor, prison labor or Forced Labor. "Forced Labor" is defined as any work or service which is extracted from any person under the threat of penalty for its non-performance and for which the worker does not offer himself voluntarily. An employer involuntarily keeping workers identification documents is prohibited.

- **Discrimination:** While David's Bridal recognizes and respects cultural differences, employment (hiring, wages, benefits, advancement, termination, and retirement) shall be based on the workers ability and not on personal characteristics. David's Bridal believes that workers should be employed on the basis of their ability to do the job, rather than on the basis of gender, age, disability, sexual orientation, racial characteristics, cultural or religious beliefs or similar factors. David's Bridal will not utilize Contractors who discriminate against workers on the basis of gender, age, disability, sexual orientation, racial characteristics, cultural or religious beliefs or similar factors.
- **Free Association:** Workers must be free to join organizations of their own choice. Contractors shall recognize and respect the rights of workers to freedom of association and collective bargaining. Workers shall not be subject to intimidation or harassment in the peaceful exercise of their legal right to join or to refrain from joining an Organization.
- **Disciplinary Practices:** All Contractors must treat all workers with respect and dignity. David's Bridal will not utilize Contractors who use, or permit the use of corporal punishment, physical, sexual, psychological or verbal harassment or other forms of mental or physical coercion, abuse or intimidation. Contractors shall not use, or permit the use of fines as a disciplinary practice.
- **Women's Rights:** All Contractors will ensure that workers who are women receive equal treatment in all aspects of employment. Pregnancy tests will not be a condition of employment or continuation thereof and pregnancy testing, to the extent it is provided, will be voluntary and at the option of the worker. Workers will not be exposed to hazards that may endanger their reproductive health and Contractors will not force workers to use contraception.
- **Health & Safety:** David's Bridal will only utilize Contractors who provide workers with a clean, safe and healthful work environment designated to prevent accidents and injuries arising out of or occurring while in the course of work or as a result of the operation of a Contractor's facility. All Contractors must comply with all applicable, legally mandated standards for workplace health and safety. Where applicable, Contractors who provide residential facilities for their workers must provide safe and healthy facilities, separate from production facilities that comply with legally mandated standards for health and safety.

**ETHICAL
STANDARDS**

David's Bridal will seek to identify and work with Contractors who aspire as individuals and in the conduct of their business to a set of ethical standards which are compatible with David's Bridal standards. Bribes, kickbacks or other similar unlawful or improper payments are strictly prohibited to be given to any person or entity to obtain or retain business.

**ENVIRONMENTAL
REQUIREMENTS**

David's Bridal will only do business with Contractors who comply with all applicable government laws and regulations, International standards, U.S. regulations prohibiting the use of ozone depleting chemicals (hydrochlorofluorocarbons) and the International Trade in Endangered Species of Wild Fauna and Flora, as listed in the United States Endangered Species Act of 1973.

**LEGAL
REQUIREMENTS**

David's Bridal's policy is to obey the laws of each country in which merchandise is manufactured for David's Bridal. Contractors will comply with all applicable local and national laws, rules and regulations pertaining to all aspects of factory operations. This includes compliance with this Code of Conduct and the terms and conditions of purchase orders issued by David's Bridal or on David's Bridal behalf and also requires attention to U.S. country of origin regulations which govern quota classification and the marking of products. Contractors manufacturing facilities will comply with US Customs-Trade Partnership Against Terrorism (C-TPAT) requirements.

COMMUNICATION

All Contractors must post the Code of Conduct in places in their factories readily accessible to workers, translated into the language of the workers and supervisors and communicate these provisions to all workers. Contractors shall take appropriate steps to ensure the provisions of this Code of Conduct are communicated to all workers. Upon employment, as part of worker orientation, the Code of Conduct shall be presented to workers and explained to them. From time to time Contractors shall periodically review this Code of Conduct with workers.

**MONITORING
COMPLIANCE**

David's Bridal takes affirmative measures to monitor compliance with David's Bridal's Code of Conduct and David's Bridal Purchase Order Terms and Conditions. Such measures include prescreening Contractors, scheduled or random, announced and unannounced on-site inspections of factories by representatives or certification by Contractors that the provisions of the David's Bridal's Code of Conduct have been complied with.

David's Bridal associates and representatives have been asked to be watchful for violations of David's Bridal's Code of Conduct on visits to factories or manufacturing facilities and to report questionable conduct to management for follow up and when appropriate, for corrective action.

RECORD KEEPING

All Contractors must maintain in the factories producing merchandise for David's Bridal all documentation necessary to demonstrate compliance with David's Bridal's Code of Conduct. Contractors must furnish David's Bridal representatives reasonable access to production facilities, employment records, and workers for confidential interviews in connection with monitoring factory or inspection visits. Contractors must promptly respond to reasonable inquiries and requests for documentation by representatives concerning the operations of factories with respect to this Code of Conduct.

SUBCONTRACTING

Contractors shall not utilize subcontractors for the production of Vera Wang merchandise, or components thereof, without David's Bridal's prior written approval and only after the subcontractor has agreed to comply with David's Bridal's Code of Conduct. Contractors shall require each approved subcontractor to abide by the Code of Conduct. Contractors shall be held accountable for a subcontractor's failure to abide by David's Bridal's Code of Conduct.

**CORRECTIVE
ACTION**

If a Contractor is in violation of David's Bridal's Code of Conduct, David's Bridal will work with the Contractors to remediate the violation if at all possible. If this effort is unsuccessful or not possible, David's Bridal shall reevaluate its business relationship with the Contractors and shall take appropriate corrective action. Corrective action may include cancellation of the affected order, prohibition of subsequent use of a factory or termination of David's Bridal's business relationship with any Contractors found to be in violation of this Code of Conduct, or exercising any other rights and remedies to which David's Bridal may be entitled under Purchase Orders issued by David's Bridal or on behalf of David's Bridal, at law or otherwise.

**COUNTRY
EXCEPTIONS**

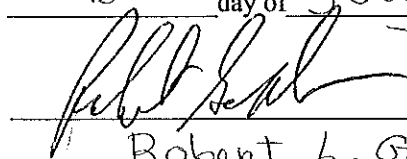
Contractors will not produce merchandise for David's Bridal, in countries which are considered by David's Bridal to deny basic human rights, David's Bridal will not initiate or continue its business relationship with Contractors that produce merchandise for David's Bridal where there are gross and systematic violations of human rights and when there is a recognized movement from within the country calling for withdrawal.

For questions or for information pertaining to David's Bridal Code of Conduct send email to the Vendor Compliance department at DavidsStandards@dbi.com.

Signed on this

19th day of July, 2011

Authorized Signature



Name Printed

Robert L. Goldman

Title

President & CEO

Vendor Name:

After signing and completing this **Code of Conduct**, please return to:

David's Bridal, Attention: Vendor Compliance, 1001 Washington Street, Conshohocken PA 19428.

Signed form may be faxed to: (610) 834-3757.

If you have any questions, call your respective Buyer. David's must have on file your signed Vendor's Acknowledgement, Agreement on Confidentiality, and Code of Conduct before we can place purchase orders with your company. In addition to faxed forms, the original copies (with ballpoint signature) of the Vendor's Acknowledgement, Agreement on Confidentiality, and Code of Conduct must be sent to the Vendor Compliance department at the above address. **Notice: Any changes, revisions, modifications, and/or alterations to the Code of Conduct made by the Vendor will not be accepted, and will be returned to the Vendor.**

David's Use Only: Vendor Number _____

Exhibit C

DAVID'S BRIDAL®
Vendor Compliance Manual
Appendix A-3

Terms and Conditions of Purchase Orders

As used herein:

- “Buyer” is an employee of David's Bridal authorized to issue Purchase Orders to Vendors.
- “Purchase Orders” shall refer to goods purchased by a David's Bridal Buyer from domestic US Vendors (other than through foreign, non-US Letter of Credit sources). There are two categories of Purchase Orders:
- “Bulk/Pre-Pack Purchase Orders” shall refer to Purchase Orders which are shipped to a David's Bridal distribution center (“DC”) facility, whether designated for general warehouse stock (Bulk) or for specific stores (Pre-Pack).
- “Drop Shipment Purchase Orders” shall refer to Purchase Orders which are shipped directly from the Vendor's facility to a David's Bridal retail store or customer.

1. DELIVERY

Time is of the essence in this contract and if delivery of goods is not made in the quantities and in the time specified, David's Bridal reserves the right, without liability, and in addition to its other rights and remedies, to direct expedited routing of the goods, or to terminate this contract by notice effective when received and to purchase substitute goods elsewhere, in which event Vendor shall be liable for any increased cost of goods, freight charges, and loss incurred. Delivery date shall be the date goods are received in the designated distribution center of David's Bridal, or at designated retail stores if drop shipment. In the event the Buyer directs expedited routing of goods, Vendor shall reduce the price of goods by the difference in cost between expedited routing and the normal routing cost and shall include such reduction of the invoice for the merchandise. Vendor shall be liable for any excess transportation charges, delay, or claims resulting from the Vendor's deviation from agreement on routing instructions.

2. SHIPPING INSTRUCTION

A. Bulk/Pre-Pack Purchase Orders

Freight for all shipments must be fully prepaid. Any transportation charges to which the Vendor is entitled by this order should be invoiced separately and show weight and rates.

B. Drop Shipment Purchase Orders

Each store's goods should be packed separately and shipped directly to the store distribution which follows the Purchase Order. Include in each shipment a packing slip, and send one original invoice for each entire distribution to: David's Bridal, 1001 Washington Street, Conshohocken, PA 19428. The David's Bridal Purchase Order number and distribution number must be listed on all invoices, packing slips, and carton labels.

3. AUTHORIZATION

David's Bridal will not be responsible for any goods delivered unless specifically authorized by a written Purchase Order executed by a Buyer.

4. NO VENDOR MODIFICATION OR CANCELLATION OF ORDER

David's Bridal will accept no modification or cancellation of a Purchase Order or any changes in the merchandise ordered unless specifically agreed to in writing by the Buyer. Vendor acknowledges that any unauthorized substitution, change of quantity, or attempted cancellation of an accepted Purchase Order is not permitted, and will be subject to penalties as described in the David's Bridal Vendor Compliance manual.

5. PRICE

Vendor's price shall not be higher than the last price quoted to the Buyer unless otherwise agreed in writing and signed by the Buyer. If price does not appear on the order, such price must be confirmed by the Buyer before shipping of merchandise. Vendor agrees that if at any time during the term of this Purchase Order the Vendor offers or sells at lower net prices similar merchandise under similar conditions, such lower prices shall be substituted for the prices set forth herein.

6. INVOICES

Send itemized invoices directly to Accounts Payable at David's Bridal, 1001 Washington Street, Conshohocken, PA 19428, U.S.A., and to no other place or address. Each invoice must be accompanied by executed copies of all shipping papers and must show the Purchase Order number or Store number. If electronic copies of invoices and required accompanying documents are available, they may be emailed instead to invoices@dbi.com. Payment cannot be made if Vendor fails to follow this procedure.

7. PLACE OF CONTRACT

Purchase Order and any acceptance thereof by shipment shall constitute a contract governed by the laws of the Commonwealth of Pennsylvania.

8. INSPECTION AND ACCEPTANCE OF MERCHANDISE

Merchandise is subject to David's Bridal inspection and approval within a reasonable time after delivery. All merchandise sent which differs from production sample, or is not as represented, may in addition to all other remedies, be returned at Vendor's expense or held by David's subject to agreement or price modification.

9. PAYMENT AND ANTICIPATION**A. Bulk/Pre-Pack Purchase Orders**

Payment shall be made by David's Bridal in accordance with the terms set forth in the Purchase Order, which include anticipation discounts for prepayment. Payment terms commence upon receipt of merchandise and Vendor invoice, as applicable.

B. Drop Shipment Purchase Orders

Vendor must notify Accounts Payable within six months if invoices were not paid or return was not received. Vendor must send copy of invoice and receipt from carrier to Accounts Payable. David's Bridal will not be responsible for invoice claims after six months from date delivered to carrier.

10. PATENTS

Vendor represents that the purchase, sale to customer, or use of the merchandise purchased by customer does not violate any patent, trademark, or copyright. In the event that the merchandise is the subject of legal action against David's Bridal by reason of patent, trademark, or copyright infringement or similar claims David's Bridal may return said merchandise at Vendor's expense, for full credit, and in addition may reduce any outstanding balances due Vendor by any damages David's Bridal must pay due to said infringement. Vendor shall be liable for all damages, (including, without limitation, lost profits) resulting from such infringement. Vendor shall indemnify, defend, and hold David's Bridal harmless from any and all liability by reason of such infringement and shall assume all costs and expenses in connection therewith including fee of David's Bridal counsel, who may be selected by David's Bridal.

11. INDEMNITY

In accepting this Purchase Order Vendor agrees that it will indemnify, save harmless, and defend David's Bridal from all liability, loss, damage, or injury to persons or property arising in any manner out of, or incident to, the performance of this Purchase Order or the sale and use of the merchandise and including for all consequential damages, court costs, and attorneys' fees, and for the cost of any government-sanctioned recall of the merchandise.

12. VENDOR'S WARRANTIES

Vendor hereby warrants that all of the goods furnished shall be of merchandise quality and fit for David's Bridal purposes and that they shall conform to David's Bridal specifications and Vendor's representation, affirmation, promises, description, samples, or modes forming the inducement to enter this contract.

Vendor warrants that all goods shipped under Purchase Orders meet the requirement of all applicable laws of the United States of America (including, but not limited to, the Textile Fiber Product Identification Act, the Fur Products Labeling Act, the Wool Products Act, the Hazardous Substances Act, the Flammable Fabrics Act, the Care Labeling Regulation of the Federal Trade Commission, the Consumer Product Safety Act, the California Lead-Containing Jewelry Law, the Illinois Lead Poisoning Protection Act of 2006, the Minnesota Lead-Containing Jewelry Law, and the City of Baltimore, Maryland Regulatory Action on Lead in Children's Jewelry), and any other applicable laws, rules, and regulations. If the Vendor's product is intending to be sold in international markets, Vendor also warrants that it complies with all applicable laws and regulations of that jurisdiction.

Vendor warrants that all invoices, declarations, affidavits, letters, papers, or other statements written or verbal pertaining to merchandise purchased are complete and contain no material omissions of fraudulent or false information in violation of the United States Tariff Act of 1930, as amended, and any other applicable law.

13. DAVID'S BRIDAL RIGHT OF CANCELLATIONS AND RETURN

A. Bulk/Pre-Pack Purchase Orders

Buyer reserves the right to cancel Purchase Orders, or any unfilled portion therein, prior to shipment if shipment is not made as required herein or if merchandise received is not in accordance with specification. Any returns shall be at Vendor's expense.

B. Drop Shipment Purchase Orders

Partial shipments are subject to return unless Vendor receives written approval of Buyer. If coordinated groups are not shipped complete, the entire group is subject to return.

In addition, vendor warrants that any returned merchandise which contains the name, logo, and/or trademark of David's Bridal or any of its associated brands shall be destroyed or otherwise rendered unsaleable. Such merchandise shall not be sold or donated to any other retailer, charity, or 3rd party without specific written authorization from David's Bridal.

14. RISK OF LOSS OR DAMAGE TO MERCHANDISE

Vendor shall be liable for loss or damage of any merchandise in shipment or otherwise until such merchandise has been delivered to David's Bridal DC, retail store, or customer address.

15. APPLICABLE LAW

Vendor agrees that performance to Purchase Orders is subject to all United States federal, state, or local law regulations, including but not limited to fiber content, labeling, child labor, flammable fabrics, and location and condition of manufacturing facilities. Vendor further agrees, upon request, to furnish David's Bridal with a certificate to such effect in such form as David's Bridal may request.

16. PROCUREMENT OF QUOTA

When Vendor must import goods to the United States to fulfill a Purchase Order, the Purchase Order is expressly conditioned upon and subject to the procurement by Vendor of such quota allocations as may be necessary to secure importation of the merchandise ordered into the United States. In the event that subsequent to shipment the importation of said merchandise is prohibited by the United States Government by virtue of Vendor's failure to procure said allocation, Vendor shall reimburse David's Bridal and hold it harmless from all expenses and charges of exactions of whatever nature in connection with the subsequent entry of the merchandise if such is permitted or, if entry is not effected, all expenses incurred in the return of the merchandise to the country of exportation as well as all monies paid by David's Bridal in connection with its purchase and shipment to the United States.

In those instances where an export visa is required by United States regulations, same will be supplied by Vendor and where necessary, the correct textile quote category and quantity, in agreement units, will be indicated there upon pursuant to the instructions of the Buyer.

17. COUNTRY OF ORIGIN

Vendor must ensure all products sold to David's Bridal are clearly marked with its Country of Origin (i.e., "Made in XXX") in the English, French, Spanish, and Portuguese languages. Country of Origin marking may be on the product itself, on a tag or sticker attached to the product, or on the product's packaging if it will be displayed in the David's Bridal retail store with its packaging intact.

18. ENTIRE AGREEMENT

These terms and conditions contain the entire agreement between the parties, it may not be modified or terminated orally, and no claim of modification, termination, or waiver shall be binding on David's Bridal unless in writing signed by a duly authorized representative of David's Bridal. No modification or waiver shall be deemed effective based upon Vendor's acknowledgement or confirmation containing terms different from those contained in this purchase order.

In the event that any individual Purchase Order may have special, negotiated terms or conditions that conflict with the terms and conditions described above, the special terms or conditions of the individual Purchase Order will apply.

The parties hereby expressly agree that Vendor's execution of the Vendor's Acknowledgement form in Appendix A-1 of David's Vendor Compliance Manual shall constitute Vendor's agreement to be bound by David's Bridal "Terms and Conditions of Purchase Order".

Exhibit D



Sent via Federal Express & E-mail

April 4, 2013

Robert Goldman
Cels Enterprises, Inc.; d/b/a Chinese Laundry
3485 South LaCienega Blvd.
Los Angeles, CA 90016

Re: WHITE by Vera Wang® shoes

Dear Bob:

This letter is a follow up to previous correspondence regarding the WHITE by Vera Wang® shoes manufactured by Chinese Laundry and shipped to David's Bridal in 2012. As you know, we have found serious and pervasive defects in these shipments. Product quality is critically important to us, and this widespread pattern of defects is unacceptable.

Accordingly, we have exercised our rights under the Vendor Compliance Manual, the Terms and Conditions of Purchase Orders, and applicable law, to revoke our acceptance of the following purchase orders: 620986, 629798, 652370 (VW37002); 591465, 622461, 629797, 629799 (VW370004); 592132, 616024, 620990, 620992, 629801, 629802, 636029, 645034, 645043, 658105 (VW370007); 620988, 629804, 658105 (VW370026); 632923, 632924, 645036, 645039, 645041, 652319, 652321, and 652323 (VW370097). We also reject purchase order 661595 (VW370097) which arrived at the David's Bridal distribution center on November 28, 2012.

Accordingly and as we previously communicated to you, we have begun a recall of all units from our stores effective March 22, 2013. The recall should be completed shortly. When it is completed, we will assess the total recall value. Under the Vendor Compliance Manual, the Terms and Conditions of Purchase Orders, and applicable law, Chinese Laundry is responsible for the total value of the recall, including a full refund for all units, as well as all costs incurred by David's Bridal.

As we have further communicated to you, repair is not a viable option with the extent of the defects found. Once the recall is complete, we can therefore either ship the recalled units to Chinese Laundry's distribution center for disposal, or dispose them ourselves. The later option would save Chinese Laundry additional shipping costs from our distribution center to yours.

If you elect to have the shoes returned to you, we must make you aware that David's Bridal's licensing agreement with Vera Wang requires that any products sold in the secondary market can have no use of or reference to the name Vera Wang or any Licensed Marks, and must have all such identifications removed. To comply with the licensing agreement's requirements, all references to Vera Wang, including the Vera Wang mark

April 4, 2013

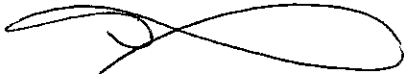
Page 2

embossed on the insoles of the shoes must be removed. If you elect to dispose of the inventory yourselves, David's Bridal therefore would require your indemnification and agreement to hold harmless and to defend David's Bridal from all liability, loss, or damage in connection with your disposal of the defective inventory.

Until this matter is resolved we have put a payment hold on Chinese Laundry's account. We wish to resolve this matter informally, as we did with the Spring 2013 newness shoes. Let us know whether you want the shoes shipped to you or want us to dispose of them. If we do not hear from you within ten (10) days on one of our proposed courses of action, we will continue to take any and all actions to enforce our rights.

Sincerely,

DAVID'S BRIDAL, INC.

A handwritten signature in black ink, appearing to read 'Catalina Maddox-Wagers', with a large, stylized loop at the end.

Catalina Maddox-Wagers
Executive Vice President Merchandising

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of April 2014, I served the foregoing
Amended Complaint on the following via hand delivery as follows:

Mary Kay Brown, Esquire
Brown Wynn McGarry Nimeroff LLC
2001 Market Street, Suite 3420
Philadelphia, PA 19103

Attorney for Defendant Cels Enterprises, Inc.

/s/ Christian D. Sheehan

Christian D. Sheehan